

EDUCATION FUNDING IN THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEAR 2005

March 10, 2004

Mr. President, I appreciate the comments of the Senators supporting the position represented by Senator Murray. But I do believe it is important to understand from where we come and where we are going, relative to educational spending in this country, and specifically in this Congress, and who is accountable for what. Because, obviously, the representation coming from the other side is that this President and this Republican Congress has not been as committed to education as we should have been.

It is a hard case to make, honestly, in light of the history of educational spending. Let us return to the scene of the crime, as they say in the business of reviewing evidentiary facts. The scene of the crime is the Clinton administration, its spending on education, and its woeful efforts in the area of special education and title I. The scene of the crime is the Clinton administration and its failure to address the fact that for generations low-income children had been left behind in this Nation.

That is what this is about. You can throw out all the numbers you want. But the issue is whether we as a Nation will continue to abandon the low-income child and leave him or her in school systems which simply shuttle him or her through, meaning when he got to the end of his or her academic career--if you can even call it that--in our school systems, he or she was unable to participate in the American dream because she couldn't read and he couldn't write relative to their peers.

The President of the United States, George Bush, came into office and he said, Let us do something about this. Let us address the issue of the fact that so many children in this Nation for generations have been shuttled through the system. He proposed the No Child Left Behind Act as a way to address that. The No Child Left Behind Act is not only about money in a tangential way. No Child Left Behind is really about the philosophy of whether a low-income child should enter the school system at a level at which they are not competitive with their peers and be left in that school system for the rest of their academic career and come out at a level that is not competitive with their peers.

The No Child Left Behind Act is an issue of whether we are going to try to take the children in this country who come from a low-income family and give them a shot at the American dream by bringing their education up to a level where they at least know what they need to know in order to participate in our society, which is a very academically oriented society--a society which depends disproportionately on your educational ability in order to obtain success.

The President proposed the concept which was to say to local school districts throughout this country, You decide, school districts, what children in your school know in the third grade, in the fourth grade, in the fifth grade, in the sixth grade, in the seventh grade, or in the eighth

grade. You decide. We as a Federal Government are not going to tell you. You go out as a community, you sit down and brainstorm and decide what your fourth graders should know, what level of math, what level of composition capability, what level of English. Then once you decide that, you set up a process, a regimen, where you evaluate whether the children in your school system are meeting those obligations, are meeting those standards, are learning English at the level and writing and spelling at the level you, the local school district, decide is appropriate.

One of the key things the President said was don't cover up the low-income child by putting them in a large group with all the other children in the school system--what is called disaggregation. Let us look at these different groups, whether they come from minority backgrounds, whether they come from low-English backgrounds, or low-income backgrounds. Let us find out what each group of children actually is learning.

Let us not say just because fourth graders in the school system which has a lot of kids and who come from average income families that are doing well on the scores as a gross number, but that school system is working well when we know for a fact the low-income kids in that school system are still being left behind--disaggregation.

We set up a system. The President proposed a system where we go out and say to the local school, You find out, you find out, parents, teachers, and principals, what children should learn in these elementary school grades and say whether the children by income groups or by ethnic groups are learning.

Those two ideas were rather radical. But the radical idea was we were actually going to tell the parents in the school system whether their children are being taught, whether they are learning at a level that is going to bring them up to their peers. Low-income parents--most of whom, by the way, are single parents struggling to make ends meet--are finally going to know whether their children in that school system are learning what is necessary in order to make them competitive as defined by that school system and as defined by their peers. If the parent finds out their child is in a school system that is not teaching that child, then we are going to give the parents some tools to try to correct that problem. We are going to allow public school choice. We are going to allow extra help for low-income kids so they can be brought up to speed if they aren't up to speed with their peers. We are going to allow the school districts to go into schools, which unfortunately have systemic failures, or large percentage failures, and put more resources into those schools to try to correct their problems.

This was the idea. It was revolutionary, and it has fundamentally improved education in this country. Everywhere you go in this country today, school districts are addressing the issue of whether the children are learning, whether the low-income kids are learning, whether they are being assessed, and the information is being put out to the public and the public is making assessments as to whether it is right.

This bill has been one of the most creative and aggressive bills we have ever passed as a Congress, or even the States, in the area of trying to correct what has been a fundamental problem in which our public school systems, regrettably for years, were passing low-income kids

off and not giving them a shot at the American dream. It is working.

We incessantly hear from the other side about the failure of the bill. Why are we hearing that? Is it really because it has not been funded? No. It is because there is an educational establishment out there which does not like the fact it is being held accountable. This isn't about funding. This is a raw attempt by the educational establishment to try to undermine the No Child Left Behind Act law because they do not like the fact they are being held accountable. They do not like the fact low-income kids are finally getting a chance, are finally learning something, or are being told they have to learn something.

That is what this debate is about. Let us not try to color it with money because it is not about money. Let us get into the money issue to prove that is not the case.

If money were the issue, the prior administration would have poured a lot more money into this program than they did. They did not. If money were the issue, the school systems in this country would not have enough money to do the assessments that are the essence of this whole bill. They not only have enough money to do the assessments, but they have more than enough money to do the assessments under this bill. If money were the issue, the money we have already put in the pipeline would have been spent. There wouldn't be any available.

What we find is there are literally billions of dollars of money in the pipeline which have not been spent as a result of the fact this law has been aggressively funded.

Let me put it in context. The last time the President of this country was a Democrat and the Congress was Democratically controlled was 1995. You would have thought at that time, if you listened to the rhetoric around here, title I and the programs under title I which still existed at that time--the No Child Left Behind Act obviously wasn't the law--would have been funded right up to the authorization amount. That is all we have heard about from the other side on this bill.

Surprise. It wasn't. It wasn't even close to the full authorization amount in 1995. Not only that but the increases which flowed into the account under a prior administration were minuscule in key areas such as title I and special education.

I heard the good Senator from Massachusetts come down here and say all the new money that has gone into title I, or most of it, is the result of the fact they offered amendments on the other side and those amendments made the changes in these programs and added all of this extra money. I appreciate the fact he at least gives credit to this administration for putting a larger amount of new dollars into the education accounts. That is nice, because it is true. There has been a huge infusion of new dollars into the education accounts.

This chart shows that in real terms. I appreciate the fact the Senator from Massachusetts basically acknowledged it. The last year of the Clinton administration, it was \$42.2 billion in education accounts. As of this year, there will be \$58.7 billion in education funding, which shows the rather dramatic increase.

If we go to title I, we will see in the last year the Presidency and the Congress were controlled by the Democratic Party, there was \$6.7 billion spent on title I. When the Republicans took over the Congress, by the way, that started to move up. In the years since President Bush has come into office, that number has jumped dramatically, so we are now up to \$13.3 billion being spent on title I.. The same is true of IDEA, which is a more startling number because the Clinton administration never proposed increases in IDEA until the last year and they were the result of a Republican Congress forcing those increases into the Clinton administration. Again, the IDEA numbers went down during the first years of the Clinton administration and started to go back up when the Republicans took control of the Congress. I was very involved when we demanded \$1 billion a year. This President has proposed more increases in the first 3 years in IDEA funding--\$1 billion each year onto each prior year--than the Clinton administration proposed in their entire 8 years in office. This is an example of that during the Clinton administration. IDEA funding was increased by \$1.4 billion over their 8 years. In three years in office, President Bush has increased that money by \$3.7 billion.

It brings me back to a side issue. I found it entertaining that basically if we listen to the Senator from Massachusetts, he said all this new funding which has flowed into the various accounts--and it has been dramatic, as shown by the first chart, into special education and title I--it was a function of amendments offered by the Democratic leadership and the Democratic membership of this Congress. I point out I am not aware the Democratic Party controlled the Congress for these 3 years and it certainly did not control the Presidency, so I am not sure how they managed to do that. The fact is we could not pass the amendments unless the President agreed to them, signed the bills, and the Republican Congress agreed to them and passed it.

What can be pointed out is when the Clinton administration and the Democratic Congress did control the issue of funding, had unilateral control of the issue over funding because they had both Houses of Congress and the Presidency, their accounts went down. It was not until a Republican Congress and a Republican Senate made it its No. 1 priority under Senator Lott, Senator Specter, and other Members of this Congress that we started to see the IDEA funding go back up dramatically.

This is a very substantive point because it makes the case that what we are hearing from the other side is truly politics, the politics of education, not the substance of education. The substance of education is whether a low-income child in America today is better off in the system than they were 3 years ago. There can be no question but that child is. Finally, after years and years and years, we are finding out whether that child is being educated at the same level as his peers, through assessment, and when we find that out and if we discover that child is not being educated up to his peers, we put in place systems to address that.

It is also important while we are on this topic to address the nature of this amendment. The amendment does not actually say the funding will go to education. The amendment sets up a reserve fund. The only thing the amendment actually does is raise taxes. It raises taxes by \$17 billion and puts that money in an account. That account may or may not get spent. What we do know is it will raise taxes.

What does \$17 billion in new taxes account for? We heard from the other side it will go against those wealthy Americans who are making too much money and we need to tax them some more. That may philosophically be what they want to do, but as a practical matter that is not the effect this amendment would have. The proposals which are most at risk today in the tax laws do not impact wealthy Americans; they impact moderate- and middle-income Americans. It is the child tax credit that lapses, it is the marriage tax penalty which goes back into place, and it is the 10-percent bracket which gets kicked back out if we do not extend the tax reductions which are on the books.

Ironically, the \$17 billion of higher taxes which this amendment is going to force on the American people is probably going to be borne primarily by people who are married, because the spousal deductions and the marriage tax penalty, if not extended, add up to \$15.7 billion, an ironic joining of numbers but clearly a logical place where it will occur. If the \$17 billion tax increase occurs, it will occur as a result of these extenders not being put in place. Therefore, the spousal tax, which is \$15.7 billion and which basically says if you are married you should not have to pay more than if you were separated, will end up being most likely the place I suspect this tax increase will occur.

This amendment is unique in that it does not really impact the education accounts because it puts it into reserve. It does, however, raise taxes, and most likely on married people.

While we are on the subject of how well funded No Child Left Behind is, we should go into some specifics. The No Child Left Behind part of title I--and what we have are charts that reflect how significantly we have increased funding under title I since President Bush came into office. Over the 8 years President Clinton was in office, he raised the dollars into title I by \$2.6 billion. In the 3 years since President Bush has been in office, we have seen a \$4.6 billion increase or almost twice as much, at least 70-percent higher funding levels from President Bush as from President Clinton.

The argument is made that is still not enough, that we should be funding this to the full authorized level. I have been around this place for 11 years and I think I understand we do not fund at authorized level and everyone in this institution understands the authorized level is a statement, not a number. It is a goal. But it is not necessarily the goal that will be reached.

What proves that beyond any serious doubt is the fact when the Democrats did control both the Presidency, the House and the Senate, they did not fund title I at full authorization. If there is credibility to their argument today, they would have had to have funded the authorization at its full level back when they controlled the Congress. But there is not credibility to their argument because they did not do that.

In fact, when we look at the level of funding increases that occurred during their administration when they had the Presidency and when they held the Senate, it was pretty much flat funded, and it has only been with President Bush that the dramatic increases in these accounts happen.

Do we have enough money in the pipeline to address title I and No Child Left Behind? That is an argument we hear a lot about. We do know the number has increased dramatically. States are getting a lot more money. In fact, a lot of states are not pulling down the full amount they have available to them. We know there is some good anecdotal information coming in right now that says No Child Left Behind is being adequately funded.

I was interested to see a recent study by two public officials in Massachusetts, one of whom was the Massachusetts State school board chairman and another who was a member of the school board in Massachusetts. James Peyser is chairman of the Massachusetts Board of Education and Robert Costrell is a professor of economics at the University of Massachusetts at Amherst, on leave, and currently serves as the chief economist for the Executive Office for Administration and Finance.

These two gentlemen did a study of how much money was coming in under No Child Left Behind and whether it was adequate. The report says they thought there was sufficient money in the pipeline in Massachusetts to effectively implement the law.

Here are a few things they cite: The \$391 million of Federal Department of Education money that has been set aside specifically to administer the additional State assessments required under No Child Left Behind is more than adequate.

That was their conclusion. They did say:

Although new funding may be needed in the future, the authors observe that ``The needed dollar amounts are relatively small and could be met easily by allocating funds from lower-priority problems."

Another finding:

Shortfalls in federal support of school technical assistance, as required under No Child Left Behind, are small at present but are likely to grow significantly as more schools are found to be in need of improvement. To fill the gap, the authors call for greater flexibility in federal guidelines. ``Much of the gap can be filled," Peyser and Costrell explain, ``by allowing states to allocate more of their federal dollars to supporting turnaround efforts in low-performing districts."

The estimated cost of testing required by No Child Left Behind runs at \$20 per student, a small fraction of the per-pupil cost in the United States. Today, the per-pupil cost in the United States is \$7,392. Interestingly enough, if you take the \$391 million that the Federal Department of Education has set aside--and this is not their numbers--to do the assessment work, you find it exceeds the \$20 by a rather dramatic number. I know in New Hampshire, for example, it exceeds it by a factor of almost 10. In fact, the dollars increased per pupil from 2000 to 2004 in Federal spending, these two gentlemen discovered, was about \$300 per pupil across the country, which certainly far outstrips the cost of the per-pupil testing requirement, which is the primary requirement in this law.

So you have folks who are very intimately involved in this business in Massachusetts concluding that the funds which are flowing, which have represented a very significant increase in funding--as shown by this chart, \$13.3 billion right now under this budget--more than exceeds what is needed to efficiently deal with the No Child Left Behind requirements.

One of the reasons we hear a lot about No Child Left Behind not being funded I think is that most States and school districts today are under significant pressure. But the pressure is not coming from No Child Left Behind; the pressure is coming from local property tax burdens and State revenues.

We have gone through a recession and those States have contracted in their revenues. Property taxes have gone down. As a result, school districts find themselves under pressure. I do not deny that. Everybody recognizes that. But because money is fungible, people easily identify the Federal dollars as being less than what are required to fund what traditionally would have been cost driven by and funded by local property taxes and State dollars.

The No Child Left Behind function is well funded. In fact, in this bill we have increased it again. It is up another \$1 billion specifically have increased special education funding in this bill by \$1 billion. We have done that, by the way, without repealing the child tax credit. In fact, we plan to extend that. We have done that without requiring parents--people who are married--having to pay more in taxes by not extending the marriage tax penalty relief language. We have done it by retaining the 10-percent expansion so low-income people pay much less in the way of taxes. All of that would be at risk--all three of those areas--were the \$17 billion of new taxes, which this amendment represents, to be adopted.

I do not believe this amendment is legitimate from a standpoint of addressing the concerns of No Child Left Behind. I do not believe it is consistent with what happened in this Congress when the Democratic Party controlled the Presidency and the House and the Senate. It requires full funding of an authorization level, which was not done at that time.

I do believe it would have a huge detrimental impact, potentially, especially on married women and men, as a result of its ironic identity with the cost of extending the marriage penalty, which is \$15 billion, which is essentially the amount of taxes this bill would raise.

I believe it is hard to defend this amendment either on a substantive ground that it is going to make No Child Left Behind work better or on a policy ground that it is consistent with historical actions in this Congress--funding full authorization--or on the ground that raising taxes makes good sense because I do not think you can support raising taxes, especially when it might have such a dilatory effect on married people or people with children. Therefore, I strongly oppose this amendment.